

**FINANCIAL REPORT OF THE
ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4
OF ACADIA PARISH, LOUISIANA
FOR THE YEAR ENDED
SEPTEMBER 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 27 2013**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Acadia Parish Fire Protection District No 4
of Acadia Parish, Louisiana
Eunice, Louisiana

I have reviewed the accompanying component unit financial statements of the governmental activities and each major fund of the Acadia Parish Fire Protection District No 4 of Acadia Parish, Louisiana, as of and for the year ended September 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Acadia Parish Fire Protection District No 4. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

The management of Acadia Parish Fire Protection District No 4 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

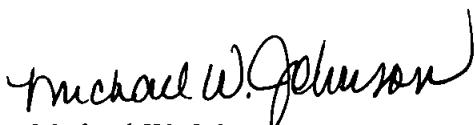
My responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated January 21, 2013, on the results of my agreed-upon procedures

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on page 21 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

A handwritten signature in black ink, reading "Michael W. Johnson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael W. Johnson
Certified Public Accountant, APC

January 21, 2013
Eunice, Louisiana

BASIC COMPONENT UNIT FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4

Statement of Net Assets

September 30, 2012

	<u>Governmental Activities</u>
ASSETS:	
Current Assets	
Cash and Interest-Bearing Deposits	\$177,037
Ad Valorem Taxes Receivable	<u>45,557</u>
Total Current Assets	<u>\$222,594</u>
Noncurrent Assets	
Restricted Assets	
Cash and Interest-Bearing Deposits	\$ 57,620
Capital Assets, Net (Note C)	<u>174,247</u>
Total Noncurrent Assets	<u>\$231,867</u>
Total Assets	<u>\$454,461</u>
LIABILITIES:	
Current Liabilities	
Payroll Taxes Payable	\$ 339
Taxes Paid Under Protest	<u>2,085</u>
Total Current Liabilities	<u>\$ 2,424</u>
Total Liabilities	<u>\$ 2,424</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$174,247
Restricted For	
Debt Service	31,748
Taxes Paid Under Protest	23,787
Unrestricted	<u>222,255</u>
Total Net Assets	<u>\$452,037</u>

See accompanying notes and independent accountant's review report

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4

Statement of Activities
For the Year Ended September 30, 2012

	<u>Governmental Activities</u>
EXPENSES:	
Fire Protection	
Operating	\$157,969
Depreciation	27,155
Interest	<u>157</u>
Total Program Expenses	<u>\$185,281</u>
GENERAL REVENUES:	
Ad Valorem Taxes	\$258,554
Insurance Rebates	4,125
Interest	301
State Revenue Sharing	<u>14,690</u>
Total General Revenues	<u>\$277,670</u>
Increase in Net Assets	\$ 92,389
NET ASSETS-BEGINNING OF THE YEAR	355,579
Prior Period Adjustment	<u>4,069</u>
NET ASSETS-END OF THE YEAR	<u>\$452,037</u>

See accompanying notes and independent accountant's review report

FUND FINANCIAL STATEMENTS

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4

Balance Sheet
Governmental Funds
September 30, 2012

ASSETS:

Cash and Interest-Bearing Deposits	\$234,657
Ad Valorem Taxes Receivable	<u>45,557</u>
Total Assets	<u>\$280,214</u>

LIABILITIES AND FUND BALANCES:

Liabilities	
Payroll Taxes Payable	\$ 339
Taxes Paid Under Protest	<u>2,085</u>
Total Liabilities	<u>\$ 2,424</u>

Fund Balance

Restricted for	
Debt Service	\$ 31,748
Taxes Paid Under Protest	25,872
Operations of Fire District	<u>220,170</u>
Total Fund Balance	<u>\$277,790</u>

Total Liabilities and Fund Balance	<u>\$280,214</u>
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See accompanying notes and independent accountant's review report

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
September 30, 2012

Governmental Funds Fund Balances at September 30, 2012	\$277,790
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Total net assets reported for governmental
activities in the statement of net assets
are different because

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>174,247</u>
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Net assets of governmental activities	<u>\$452,037</u>
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See accompanying notes and independent accountant's review report

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4

**Statement of Revenues, Expenditures, and
Changes in Fund Balance-Governmental Funds
For the Year Ended September 30, 2012**

REVENUES:

Ad Valorem Taxes	\$258,554
Insurance Rebates	4,125
Interest	301
State Revenue Sharing	<u>14,690</u>
Total Revenues	<u>\$277,670</u>

EXPENDITURES:

Current Operating	\$157,969
Capital Outlay	3,588
Debt Service	<u>18,828</u>
Total Expenditures	<u>\$180,385</u>

Net Change in Fund Balance	\$ 97,285
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FUND BALANCE-BEGINNING OF THE YEAR	176,436
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Prior Period Adjustment	<u>4,069</u>
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FUND BALANCE-END OF THE YEAR	<u>\$277,790</u>
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See accompanying notes and independent accountant's review report

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances-Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2012

Net change in fund balances-total governmental funds	\$97,285
The change in net assets reported for governmental activities in the statement of activities is different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$27,155) exceeded capital outlay (\$3,588) in the current year	(23,567)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	18,000
Interest on long-term debt is recorded on the accrual basis in the statement of activities However, interest is recorded on the modified accrual basis in the statement of revenues, expenditures, and changes in fund balance- governmental funds	<u>671</u>
Change in net assets of governmental activities	<u>\$92,389</u>

See accompanying notes and independent accountant's review report

NOTES TO THE FINANCIAL STATEMENTS

**ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4
OF ACADIA PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Acadia Parish Fire Protection District No. 4 of Acadia Parish was created by the Acadia Parish Police Jury, as authorized by Louisiana Revised Statutes 38:1751-1802. The ordinance creating this district was dated February 14, 1989. The Acadia Parish Fire Protection District No. 4 of Acadia Parish is governed by a five-member board of directors. The district was created for the purpose of acquiring buildings, machinery, and equipment, including both real and personal property to be used in providing fire protection to the property in the district.

The District's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard – setting body for establishing governmental accounting standards. The most significant of the District's policies are discussed below.

1. Reporting Entity

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the statement include the following:

- For the first time the financial statements include
 - A Management's Discussion and Analysis (MD&A) section providing an analysis of an entity's overall financial position and results of operations
 - Financial statements prepared using full accrual accounting for all of an entity's activities, including infrastructure (roads, bridges, etc.)
- A change in the fund financial statements to focus on the major funds

The District has implemented the general provisions of GASB Statement No. 34 except for Management's Discussion and Analysis. The changes made by GASB Statement No. 34 are reflected in the accompanying financial statements (including the notes to the financial statements).

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

GASB Codification Section 2100 established criteria for determining the governmental reporting entity and component units that should be included with the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

- 1 Appointment of governing board
- 2 Designation of management
- 3 Ability to significantly influence operations
- 4 Accountability for fiscal matters
- 5 Scope of public service

Because the police jury appoints the governing board and controls the scope of public service, the fire district was determined to be a component unit of the Acadia Parish Policy Jury, the governing body of the parish and the governmental body with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the fire district and do not present information on the Policy Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

2. Basis of Presentation

Government – Wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. These statements present governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

The funds of the district are described below:

- Governmental Funds-used to account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. All funds of the District are classified as governmental funds.

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

- General Fund-used to account for all financial resources except for those accounted for in another fund. It is the primary operating fund of the District.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

In the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund Balance is classified as net assets.

In the fund financial statements, all governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting:

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

able to reasonably estimate the amount Available means collectible within the current period or within thirty days after year-end Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due

4. Assets, Liabilities, and Equity

Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits includes all demand, savings accounts, and certificates of deposits of the District

Receivables

In the government-wide statements, receivables include all revenues earned at year-end and not yet received In the fund financial statements, receivables include accrual for revenues which are measurable and available Major receivable balances for the District's governmental activities reported in both the government-wide and the fund financial statements include ad valorem taxes

Fixed Assets

The accounting treatment of property, plant, and equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation Estimated historical cost of \$274,228 was used to value the assets acquired prior to October 1, 2002

The Commission maintains a threshold level of \$1,000 or more for capitalizing fixed assets

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

The range of estimated useful lives by type of asset is as follows

Equipment	10 years
Improvements	20 years
Buildings	40 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the general fund that are set aside for the following purposes

1	Repayment of general obligation bonds	\$ 31,748
2	Monies held for ad valorem taxes paid under protest until settled	<u>25,872</u>
	Total Restricted Assets	<u>\$ 57,620</u>

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements The long-term debt consists of general obligation bonds

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

Equity Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components

- a Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- b Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact,
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation,
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint,

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

- Assigned fund balance – amounts a government intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority,
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund

5. Revenues, Expenditures, and Expenses

Ad Valorem Taxes:

Ad Valorem Taxes are levied by the Acadia Parish Tax Assessor in September or October and are actually billed to the taxpayers in November. Taxes are due by December 31 of that year and are normally collected in December of the current year and in January and February of the following year. Billed taxes attach as an enforceable lien on property and become delinquent on January 1 of each year following the year the taxes are levied.

The Acadia Parish Sheriff's Department bills and collects property taxes using the assessed values determined by the parish assessor. The Acadia Parish Tax Collector sends the district's share of the property taxes collected directly to the district's board of commissioners.

Revenues from ad valorem taxes are budgeted in the year levied.

Operating Revenues and Expenses:

Operating revenues and expenses for governmental funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses.

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character	Current
	Debt Service
	Capital Outlay

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

In the fund financial statements, governmental funds report expenditures of financial resources

6. Budget and Budgetary Accounting

The District adopts a budget annually. The budget is prepared on a basis consistent with Generally Accepted Accounting Principles (GAAP) and is adopted by the board of commissioners in an open meeting prior to the commencement of the year for which the budget is being adopted

When actual revenues are failing to meet budgeted amounts by five percent or more and/or actual expenditures are exceeding budgeted amounts by five percent or more, the board of commissioners adopts an amended budget in an open meeting before year-end

All appropriations lapse at year end

7. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – AD VALOREM TAXES

For the twelve months ended September 30, 2012, the 2011 tax rolls of 9.07 mills were levied on property with assessed valuations totaling \$28,506,445 and were dedicated as follows:

Maintenance	8.07 mills
Bond	<u>1.00 mills</u>
Total	<u>9.07 mills</u>

Total taxes levied were \$258,553.62

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012, was as follows

	Balance 10/1/11	Additions	Retirements	Balance 9/30/12
Governmental activities				
Capital assets not being depreciated				
Land	\$ 18,302	\$ 0	\$	\$ 18,302
Capital assets being depreciated				
Machinery and equipment	491,942	3,588		495,530
Buildings	78,788	0		78,788
Total capital assets	<u>\$589,032</u>	<u>\$ 3,588</u>	<u>\$ 0</u>	<u>\$592,620</u>
Less accumulated depreciation				
Machinery and Equipment	\$371,102	\$ 25,186	\$	\$396,288
Buildings	20,116	1,969		22,085
Total accumulated depreciation	<u>\$391,218</u>	<u>\$ 27,155</u>	<u>\$ 0</u>	<u>\$418,373</u>
Governmental activities capital assets, net	<u>\$197,814</u>	<u>\$(23,567)</u>	<u>\$ 0</u>	<u>\$174,247</u>

Depreciation expense was charged to functions as follows

Governmental activities	
Fire Protection	<u>\$27,155</u>
Total governmental activities depreciation expense	<u>\$27,155</u>

NOTE D-LONG-TERM LIABILITIES

Long-Term Liability Activity

Long-term liability activity of the district for the year ended September 30, 2012, was as follows:

	Balance October 1, 2011	Additions	Retirements	Balance September 30, 2012	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds Payable, Series 1999	<u>\$18,000</u>	<u>\$0</u>	<u>\$18,000</u>	<u>\$0</u>	<u>\$0</u>
Total	<u>\$18,000</u>	<u>\$0</u>	<u>\$18,000</u>	<u>\$0</u>	<u>\$0</u>

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

Description of Debt

Governmental Activities

Bonds Payable

\$330,000 General Obligation Bonds, Series 1999, of the Acadia Parish Fire Protection District No. 4, dated May 1, 1999, payable in annual installments and bearing interest at the rate of 4 6% per annum payable semi-annually on May 1 and November 1

The bonds are secured by a special tax to be imposed and collected annually in excess of all other taxes on all property subject to taxation within the territorial limits of the district. The bonds were issued for the purpose of acquiring, constructing, and improving fire protection facilities and equipment, including fire stations and trucks, title to which shall be in the public, and providing \$135,000 of funds to pay a portion of the cost of advance refunding an outstanding issue of general obligation bonds dated October 1, 1989. The bond principal and interest payments are paid through the General Fund by a special tax of four (4) mills.

The District called \$157,000 of the bonds for redemption on November 1, 2009. In accordance with the bond provision, the bonds were called for redemption in inverse order of their maturities. The bonds with maturity dates of May 1, 2013-2019 were called for redemption.

These bonds were paid in full as of September 30, 2012. There is a remaining balance in the bond collection account in the amount of \$31,748.

NOTE E-LITIGATION

Management has asserted that any claims and potential claims against Acadia Parish Fire Protection District No. 4 not covered by insurance would not materially affect the financial statements of Acadia Parish Fire Protection District No. 4.

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

NOTE F-SCHEDULE OF COMMISSIONERS' COMPENSATION

A schedule of compensation paid to the Board of Commissioners for the fiscal year ended September 30, 2012 is as follows

<u>Name</u>	<u>Office Held</u>	<u>Term</u>	<u>Compensation</u>
Roger Pedigo	President	December 2014	\$1,200
Richard Ruppert	Secretary/Treasurer	December 2013	1,200
Stephen Miller	Commissioner	December 2013	1,200
Laurent Bellard	Commissioner	N/A	400
John Kurta	Commissioner	December 2013	1,200
Thomas K. Frey	Commissioner	December 2014	<u>700</u>
Total			<u>\$5,900</u>

NOTE G-LOCAL SERVICE AGREEMENT

A local service agreement between the Acadia Parish Fire Protection District No. 4 and the City of Eunice authorizes the transfer of 5 1/2 mills out of 8 mills to the City of Eunice to assist in providing fire protection to residents located in the area of the Acadia Parish Fire Protection District No. 4

NOTE H-AD VALOREM TAXES PAID UNDER PROTEST

The \$2,085 Ad Valorem Taxes Paid Under Protest liability reported in the accompanying financial statements represent the portion of ad valorem taxes collected by the District during prior fiscal years which were paid under protest. State law provides that protested money can only be used for non-recurring expenses except for any such funds pledged as security for any bonds or other evidences of indebtedness. If the taxpayers prevail in court, they have the choice of taking a credit on future taxes or requesting a refund from the District. If the Louisiana Tax Commission prevails in court, the district will have to remit 10% of the protested amount to the Louisiana Tax Commission.

Current law provides that taxes paid under protest are to be held by the tax collector. Therefore, taxes paid under protest for the fiscal year ended September 30, 2012 are included in Ad Valorem Taxes Receivable in the accompanying financial statements.

Acadia Parish Fire Protection District No. 4
Notes to Financial Statements, Cont'd

NOTE I-LACK OF STAFF EXPERTISE IN FINANCIAL ACCOUNTING AND REPORTING

The District's staff responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in preparing the District's financial statements, including notes

NOTE J-PRIOR PERIOD ADJUSTMENT

The \$4,069 prior period adjustment reported in the accompanying financial statements is the result of the write-off of outstanding checks, dated more than one year before the financial statement date

NOTE K-SUBSEQUENT EVENT REVIEW

The District has evaluated subsequent events through January 21, 2013, the date through which the financial statements were available to be issued

NOTE L-VIOALATION OF LOUISIANA LOCAL GOVERNMENT BUDGET ACT

The District did not adopt the original budget for the year ended September 30, 2012 by resolution in an open meeting. Management overlooked this requirement

OTHER REQUIRED SUPPLEMENTARY INFORMATION

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4**Budgetary Comparison Schedule****General Fund****For the Year Ended September 30, 2012**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
REVENUES:				
Ad Valorem Taxes	\$200,000	\$215,000	\$258,554	\$ 43,554
Insurance Rebates	5,000	5,000	4,125	(875)
Interest	100	100	301	201
State Revenue Sharing	<u>15,000</u>	<u>15,000</u>	<u>14,690</u>	<u>(310)</u>
Total Revenues	<u>\$220,100</u>	<u>\$235,100</u>	<u>\$277,670</u>	<u>\$ 42,570</u>
EXPENDITURES:				
Current Operating	\$156,780	\$157,330	\$157,969	\$ (639)
Capital Outlay	3,000	4,500	3,588	912
Debt Service	<u>18,500</u>	<u>18,915</u>	<u>18,828</u>	<u>87</u>
Total Expenditures	<u>\$178,280</u>	<u>\$180,745</u>	<u>\$180,385</u>	<u>\$ 360</u>
Net Change in Fund Balance	\$ 41,820	\$ 54,355	\$ 97,285	\$ 42,930
FUND BALANCE-BEGINNING OF THE YEAR	155,037	176,436	176,436	0
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>4,069</u>	<u>4,069</u>
FUND BALANCE-END OF THE YEAR	<u>\$196,857</u>	<u>\$230,791</u>	<u>\$277,790</u>	<u>\$ 46,999</u>

See accompanying notes and independent accountant's review report

MICHAEL W. JOHNSON

Certified Public Accountant

(A PROFESSIONAL CORPORATION)

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
Acadia Parish Fire Protection District No 4
of Acadia Parish, Louisiana
Eunice, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Acadia Parish Fire Protection District No 4 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Acadia Parish Fire Protection District No 4's compliance with certain laws and regulations during the year ended September 30, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Acadia Fire Protection District No 4 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R S 38 2211-2296 (the public bid law) or R S 39 1551-39 1775 (state procurement code), whichever is applicable.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by R S 42 1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information

- 3 Obtain from management a listing of all employees paid during the period under examination

Management provided me with the required list

- 4 Determine whether any of those employees included in the listing obtained from management in agreed-upon Procedure 3 were also included on the listing obtained from management in agreed-upon Procedure 2 as immediate family members

None of the employees included on the list of employees provided by management in agreed-upon Procedure 3 appeared on the list provided by management in agreed-upon Procedure 2

Budgeting

- 5 Obtain a copy of the legally adopted budget and all amendments

Management provided me with copies of the original and amended budgets

- 6 Trace the budget adoption and amendments to the minute book

The original budget figures were presented when requested. However, there is no evidence of adoption in the minutes (Finding 2012-3). I traced the adoption of the amended budget to the minutes of a meeting held on September 7, 2012.

- 7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceeded budgeted amounts by 5% or more

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted amounts by 5% or more. Actual expenditures did not exceed budgeted amounts by 5% or more.

Accounting and Reporting

- 8 Randomly select 6 disbursements made during the period under examination and,
 - (a) Trace payments to supporting documentation as to proper amount and payee,

I examined supporting documentation for each of the six selected disbursements I found that payment was for the proper amount and made to the correct payee

(b) determine if payments were properly coded to the correct fund and general ledger account, and

All six of the payments were properly coded to the correct fund and general ledger account

(c) determine whether payments received approval from proper authorities

Each of the six disbursements were traced to the district's minute book where they were approved by the full commission

Meetings

- 9 Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R S 42 11 through 42 28 (the open meetings law)

Acadia Parish Fire Protection District No 4 is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion

Debt

- 10 Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness

Advances and Bonuses


- 11 Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts

A reading of the minutes of the district for the year indicated no approval for the payments noted I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts

My prior year report, dated March 23, 2012 did not include any comments or unresolved matters, other than those noted on the Schedule of Prior Year Findings and the Schedule of Current Year Findings and Management's Responses and Planned Corrective Action

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Acadia Parish Fire Protection District No. 4 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Michael W. Johnson". The signature is written in a cursive style with a large, sweeping "J" and a long horizontal line extending from the end.

Michael W. Johnson
Certified Public Accountant

January 21, 2013
Eunice, Louisiana

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

11/20/2012 (Date Transmitted)

Michael W. Johnson, CPA, APC

P.O. Box 529

Eunice, LA 70535

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R S) 24 513 and the Louisiana Governmental Audit Guide, we make the following representations to you We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations We have evaluated our compliance with the following laws and regulations prior to making these representations

These representations are based on the information available to us as of (date of completion/representations)

Public Bid Law

It is true that we have complied with the public bid law, R S Title 38 2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office

Yes [☒] No [☐]

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R S 42 1101-1124

Yes [☒] No [☐]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R S 42 1119

Yes [☒] No [☐]

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R S 39 1301-15), R S 39 33, or the budget requirements of R S 39 1331-1342, as applicable

Yes [☒] No [☐]

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R S 44 1, 44 7, 44 31, and 44 36

Yes [☒] No [☐]

We have filed our annual financial statements in accordance with R S 24 514, and 33 463 where applicable

Yes [☒] No [☐]

We have had our financial statements reviewed in accordance with R S 24 513

Yes [☒] No [☐]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R S 42 11 through 42 28

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S 39 1410 60-1410 65

Yes [☒] No []


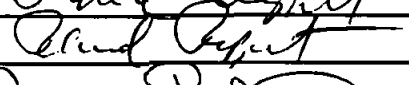

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R S 14 138, and AG opinion 79-729

Yes [☒] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report

	Secretary	11/20/12	Date
	Treasurer	11/20/12	Date
	President	11/20/12	Date

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4
Schedule of Prior Year Findings
For the Year Ended September 30, 2012

2011-1. Inadequate Segregation of Duties

Finding	The segregation of duties is inadequate to provide effective internal control
Cause	The condition is due to economic and space limitations
Recommendation	No action is recommended
Corrective Action Taken	No See Finding No 2012-1.
Planned Corrective Action	None

2011-2. Reporting Deficiency

Finding	The District's staff responsible for the accounting and reporting function lacks the skills and knowledge necessary to apply generally accepted accounting principles in preparing the District's financial statements
Cause	The District's personnel lacks training in implementation of generally accepted accounting principles
Recommendation	The District should hire a CPA to prepare the financial statements, however, the District's personnel should review and take responsibility for the financial statements and any adjusting journal entries.
Corrective Action Taken:	Partial See Finding No 2012-2.
Planned Corrective Action:	The District will continue to hire a CPA to prepare the financial statements, including notes. However, the District's personnel will review and take responsibility for the financial statements, notes, and any adjusting journal entries

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4
Schedule of Current Year Findings and
Management's Responses and Planned Corrective Action
For the Year Ended September 30, 2012

2012-1. Inadequate Segregation of Duties

Finding	The segregation of duties is inadequate to provide effective internal control
Cause	The condition is due to economic and space limitations
Recommendation	No action is recommended
Response	Management concurs
Planned Corrective Action	None.

2012-2. Reporting Deficiency

Finding	The District's staff responsible for the accounting and reporting function lacks the skills and knowledge necessary to apply generally accepted accounting principles in preparing the District's financial statements
Cause.	The District's personnel lacks training in implementation of generally accepted accounting principles
Recommendation	The District should hire a CPA to prepare the financial statements; however, the District's personnel should review and take responsibility for the financial statements and any adjusting journal entries.
Response	Management concurs
Planned Corrective Action	The CPA will prepare the financial statements, however, the District's personnel will review and take responsibility for the financial statements and any adjusting journal entries

ACADIA PARISH FIRE PROTECTION DISTRICT NO. 4
Schedule of Current Year Findings and
Management's Responses and Planned Corrective Action
For the Year Ended September 30, 2012
(continued)

2012-3. Violation of Louisiana Local Government Budget Act

Finding	The District's did not adopt the original budget for the year ended September 30, 2012 by resolution in an open meeting
Cause	Management overlooked this requirement
Recommendation	The District should adopt the budget by resolution in an open meeting
Response	Management concurs
Planned Corrective Action	Management will ensure that the District adopts all budgets by resolution in an open meeting